

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Application of Pathways Vermont,)	
Development of a Five-Bed Therapeutic)	Docket No. GMCB-005-13con
Community Residence for Persons)	
Experiencing an Initial Episode of Psychosis)	

STATEMENT OF DECISION

Introduction

A. Project Summary

Mental health advocates have long maintained there are insufficient options for people experiencing acute states of mental distress. In 2012, the Vermont legislature passed Act 79 which authorized the Commissioner of the Vermont Department of Mental Health to contract for a five-bed therapeutic residence for individuals experiencing an initial episode of psychosis, or were seeking to avoid or reduce reliance on medication. Act 79 specified that the residential facility be peer supported and non-coercive, offer treatment focused on nontraditional, interpersonal, and psychosocial approaches, and minimize the use of psychotropic medications in facilitating functional recovery. In July 2012, Pathways Vermont (the Applicant) responded to a request for proposal (RFP) issued by the Department of Mental Health and was selected to develop Soteria Vermont (Soteria), modeled after a similar project funded by a National Institute of Mental Health Research grant.

Pathways Vermont proposes that Soteria will be a voluntary, early intervention five-bed community-based residential treatment program for individuals experiencing an initial episode of psychosis. A core tenet of the Soteria model is the belief that psychosis can be a temporary experience that can be worked through, as opposed to a mental illness that may need to be managed. The model employs a creative, non-professionalized, home-like environment focusing on tolerance and flexibility in adapting to the psychotic process, intensive psychosocial and relational support, and the minimal use of neuroleptic medications. This model has been shown to favorably impact functional recovery and health status, is expected to divert unnecessary hospitalizations to a less restrictive care setting, reduce the need for long-term intensive services, and is expected to provide needed support at a lower cost than traditional hospitalization.

Soteria plans to be operational by March 2015, and will be housed in a leased residence at 226 Manhattan Drive in Burlington's Old North End. Admissions will be based on clinical requirements and will not be means-tested. The average length of stay at Soteria is expected to be three to six months.

Soteria proposes an annual operating budget of approximately \$1,000,000 in FY 2016 and will spend an additional \$292,644 for the building lease, furniture, equipment, a vehicle, modifications to the kitchen and bathroom areas, installation of fire alarm and sprinkler systems, and construction of a lift that is compliant with the Americans with Disabilities Act.

B. Procedural Background

On October 16, 2013, Pathways Vermont filed a Certificate of Need (CON) application and a request for expedited review with the Green Mountain Care Board (“GMCB”) to construct a five-bed Therapeutic Community Residence in Burlington. On November 1, 2013, the GMCB granted expedited review pending response to public notice that appeared in the Burlington Free Press on November 5, 2013. On that same date, the GMCB requested additional information from the Applicant, which it provided on November 15, 2013. On November 25, 2013, HowardCenter and the City of Burlington each filed a petition for Interested Party status. On December 10, 2013, the Board granted HowardCenter’s request for Interested Party status and granted Amicus Curiae status to the City of Burlington. In response to requests from the GMCB on December 12 and 23, 2013, the Applicant provided the Board with additional information on January 17, 2014. On February 5, 2014, HowardCenter withdrew its request for Interested Party status. On February 6, 2014 the Applicant provided the Board with revised financial tables. On February 7, 2014, the Board reinstated expedited review for this proceeding.

The application was closed on February 28, 2014.

Standard of Review

Vermont’s Certificate of Need process is governed by Title 18 of the Vermont Statutes Annotated, Sections 9431-9446, and Green Mountain Care Board Rule 4.000: Certificate of Need. The Applicant bears the burden to demonstrate that the statutory criteria set out in 18 V.S.A. § 9437 are met. Rule 4.000, Section 4.302(3) (applicant bears burden of proof).

Discussion

Pathways Vermont must satisfy the criteria set forth in 18 V.S.A. § 9437(1)-(7). As explained below, Pathways Vermont has met all seven criteria.

Criterion (1): The Application must be consistent with the health resource allocation plan (“HRAP”). 18 V.S.A. § 9437(1).

The HRAP contains a number of standards applicable to CON applications. For this project, the applicant must meet HRAP Standards 1.2, 1.3, 1.6, 1.7, 1.9, 1.10, 1.11, 1.12, 4.1, 4.2, 4.5, and 4.6. The applicant addressed and satisfied each of these standards in the Application and/or in its responses to questions as summarized below.

Act 79 (2012) provides a comprehensive framework for establishing facilities, programs, and services comprising the continuum of care for Vermont’s mental health care system. As explained above, Act 79 specifically authorized the Commissioner of the Department of Mental Health to contract for a five-bed residence using a model that is peer supported and non-coercive, with treatment focused on nontraditional, interpersonal, and psychosocial approaches and which uses minimal or no psychotropic medications to facilitate recovery for individuals seeking an alternative to traditional hospitalization.

The Department of Mental Health selected Pathways Vermont to implement the alternative model of care articulated in Act 79. In its application, Pathways Vermont provided two studies which support favorable outcomes for functional recovery and long term outcomes using the

Soteria model. Although other existing therapeutic community residences, group homes or community care homes could theoretically accommodate persons experiencing an initial episode of psychosis, in practice the existing facilities are unable to accommodate them for an extended period of time. Moreover, given the adverse side effects associated with long term use of neuroleptic medications – long term exposure has been associated with diabetes, weight gain, sexual dysfunction and tardive dyskinesia (repetitive involuntary movements) – and the acknowledged need for alternatives to hospitalization, Soteria offers a promising option for persons experiencing an initial episode of psychosis.

To create a home-like environment with naturalistic interactions, the residence will employ a team of non-clinical staff. There will be a minimum of two residential coordinators on site at all times with additional coverage provided by a project director, house manager and aftercare coordinator. Consultations with a contracted psychiatrist and naturopath will be available. All staff will receive safety training as required by licensing regulations for Therapeutic Community Residences.

Only Vermont residents are eligible for the Soteria program, and the program will not admit an applicant who requires services that it cannot provide or otherwise secure. Pathways Vermont has collaborated with a wide range of providers in its other programs and intends to similarly utilize those networks and relationships to coordinate services and community resources – individual and community outpatient mental health services, physical health services, vocational/employment support, housing, 12-step and substance abuse treatment programs, for example – for Soteria residents. Recently, Soteria and HowardCenter met to develop a protocol for referrals between the agencies and for use of HowardCenter’s Mobile Crisis Team, which is expected to be needed no more than once every three months. Soteria estimates that it may need to utilize police services once every six months. In addition, upon admission to the program, staff will establish a plan of continued services and support for the residents’ eventual departure and return to their home communities.

In accordance with its contract with the Department of Mental Health, Soteria will collect data pertaining to the areas of program utilization including, but not limited to, the number of unique individuals served by the program, demographic characteristics of residents, number of admissions and readmissions, and program utilization compared to capacity. Soteria will also collect data relating to referrals, discharge assessment ratings (as developed by Pathways and the Department of Mental Health and which include the program’s impact on the residents’ level of functioning and support needs), evaluation by residents and stakeholders of services rendered, integration and coordination with local and state service systems, patient outcomes and cost effectiveness. Further, Soteria will implement evidence-based practice guidelines and continuous quality improvement activities to inform and improve the program’s operational and philosophical practices.

The costs associated with the proposed modifications, construction, and renovation are reasonable and appropriate and comply with Life Safety Codes, the Americans with Disabilities Act, and the energy efficiency standards for residences.

Pathways Vermont has met Statutory Criterion 1.

Criterion (2): The applicant must demonstrate that the cost of the project is reasonable, because: (A) The applicant's financial condition will sustain any financial burden likely to result from completion of the project; (B) the project will not result in an undue increase in the costs of medical care, and (C) less expensive alternatives do not exist, would not be satisfactory, or are not feasible or appropriate. 18 V.S.A. § 9437(2).

(A): Pathways Vermont is a non-profit social service agency that has been providing services since the fall of 2009. It is a national affiliate of Pathways to Housing, a New York City-based organization responsible for developing the Housing First model to address homelessness. Pathways to Housing and the Department of Mental Health successfully collaborated to secure a grant to implement the Housing First model in a rural setting, culminating in the establishment of Pathways Vermont.

Pathways Vermont has dedicated funding for each program it operates, and as shown in response to questions from the GMCB dated November 15, 2013, a track record of completing projects within or below budget. A \$1,000,000 annual grant from the Department of Mental Health is dedicated to finance the operating costs of the Soteria project, and the Pathways Board will review Soteria financial information on a monthly basis to assure the project is on track and within the allocated budget. There is no reason to believe that Pathways Vermont will not be able to stay within the \$1,000,000 annual budget allocation for this project.

(B) To satisfy this requirement, the Board shall consider (i) the financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures and charges, and (ii) whether the impact is outweighed by the benefit of the project to the public.

The project will not result in an undue increase in the cost of medical care. It is currently the norm for an individual experiencing an early episode of psychosis to undergo a period of inpatient hospitalization. In some cases, these individuals do not need security or medically intense services but instead require constant and consistent access to psychosocial support and other assistance and services. Soteria will provide 24-hour care in a less restrictive environment than hospitalization at a lower cost, reducing the burden on existing psychiatric units. Because Soteria focuses on supporting residents in achieving optimal functional recovery, it is expected to also reduce the need for long term intensive services.

(C) The applicant has demonstrated that no less expensive alternative is available. Pathways Vermont will lease a residence to house the Soteria program rather than purchase or construct one, and has negotiated a lease which places responsibility for ongoing maintenance of the building with the landlord.

Pathways Vermont has met Statutory Criterion 2.

Criterion (3): The applicant must demonstrate an identifiable, existing or reasonably anticipated need for the project. 18 V.S.A. § 9437(3).

Act 79 (2012) specifically authorizes the implementation of this model as an alternative to traditional hospitalization and to promote functional recovery and reintegration into the community with minimal or no use of psychotropic medications. As reflected throughout the

Application and this Decision, there is an existing need for a five-bed residence and the Department of Mental Health has selected Pathways Vermont as the appropriate provider to operationalize this service option.

Pathways Vermont has met Statutory Criterion 3.

Criterion (4): *The applicant must show that the project will provide improved quality of health care in this state, greater access to health care for Vermont residents, or satisfy both objectives. 18 V.S.A. § 9437(4).*

Implementation of this project creates voluntary access to a model of care that is currently unavailable and implements an approach that creates coordinated access to a range of other services needed by individuals experiencing an initial episode of psychosis. The Soteria model eliminates or minimizes the use of neuroleptic medications which have been associated with adverse side effects and lower life expectancy. It is expected that this model of care will result in access to a more appropriate level of care, improved quality of care and consumer satisfaction, and better functional recovery outcomes.

Pathways Vermont has met Statutory Criterion 4.

Criterion (5): *The project cannot have an undue adverse impact on any other existing services provided by the applicant. 18 V.S.A. § 9437(5).*

Pathways Vermont successfully operates several programs, each of which has a dedicated income stream. Pathways Vermont will support the Soteria project with a \$1,000,000 annual grant from the Department of Mental Health. In addition, Soteria will benefit from the relationships and culture of coordination that Pathways Vermont has exhibited with other programs it currently operates.

Pathways Vermont has met Statutory Criterion 5.

Criterion (6): *The applicant must show the project will serve the public good. 18 V.S.A. § 9437(6).*

The Applicant has demonstrated that the project serves the public good by providing a unique alternative to traditional hospitalization for the target population. The program's cautious use of neuroleptic medications will reduce or eliminate the adverse impact these medications have on an individual's health status. The Soteria approach also provides access to outpatient and community services to meet individual needs. The program is expected to facilitate functional recovery, increase consumer satisfaction and outcomes, and lower the cost of care for individuals in this setting.

Pathways Vermont has met Statutory Criterion 6.

Criterion (7): *The applicant has adequately considered the availability of affordable, accessible patient transportation services to the facility.*

Soteria Vermont is located two blocks from a Chittenden County Transit Authority (CCTA) bus stop easily accessible to residents, family, friends, and staff. Bus vouchers will be available to all

residents. The Applicant included in its budget a staff vehicle that can be used to transport residents to locations that are not served by the CCTA.

Pathways Vermont has met Statutory Criterion 7.

Conclusion

Based on the discussion above and our conclusion that the project meets each of the applicable statutory criteria, the Applicant has demonstrated that the project meets the legal criteria for a Certificate of Need.

Order

The Green Mountain Care Board approves the Application of Pathways Vermont and shall issue a Certificate of Need subject to the Requirements and Conditions set forth therein.

SO ORDERED.

Dated: March 18, 2014 at Montpelier, Vermont

s/ Alfred Gobeille)

s/ Karen Hein)

s/ Cornelius Hogan)

s/ Betty Rambur)

s/ Allan Ramsay)

GREEN MOUNTAIN
CARE BOARD
OF VERMONT

Filed: March 18, 2014

Attest: s/ Janet Richard
Green Mountain Care Board
Administrative Services Coordinator